

ECONOMIC INTELLIGENCE COMMITTEE

Control No. 493670  
EIC-M-84  
20 January 1960

Minutes of Meeting Held in  
Room 1121, Temporary M Building  
26th and Constitution Avenue, N. W.

1000 hours, 20 January 1960

PRESENT:

Dr. Otto E. Guthe, Chairman  
Dr. Herbert Block, Department of State  
Mr. Bennett V. S. Davis, Department of the Navy  
Mr. John W. Easton, Joint Staff  
Lt. Col. Francis W. Guzak, Department of the Air Force  
Dr. Norris G. Kenny, Office of the Secretary of Defense  
Mr. Baxter Wood, Department of the Army  
[REDACTED] National Security Agency  
\* Mr. Charles T. Baroch, Department of the Interior  
Mr. William B. Bennett, Department of Commerce  
Mr. Jerome Forrest, International Cooperation Administration  
Mr. Leonard R. Linsenmayer, Department of Labor

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[REDACTED] CIA  
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[REDACTED] CIA  
[REDACTED] EIC/S  
[REDACTED] Executive Secretary

APPROVAL OF MINUTES:

1. The Minutes of the EIC Meeting of 24 September 1959  
(EIC-M-83) were approved.

**NSA Declassification/Release Instructions on File.**

\* Present during part of meeting

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INTRODUCTION OF MEMBERS:

2. The Chairman introduced the following individuals to the members of the EIC: Lt. Col. Francis W. Guzak, Department of the Air Force; Mr. William B. Bennett, newly appointed Alternate EIC Member from the Department of Commerce, vice Carney G. Laslie; Mr. Eugene T. Olsen, Alternate Member on the Agriculture Subcommittee, Department of Agriculture.

ANNOUNCEMENTS:

3. In addition to the new members introduced at the meeting, the Chairman announced that Mr. Donald B. Calder, Department of State, was replacing Mr. J. Bruce Hamilton as Alternate to the EIC and that Mr. John F. Reilly, Department of Justice, had replaced Mr. Henry G. Hilken as Associate Member on the EIC.

EMERGENCY PLANNING:

4. The Chairman spoke briefly on the draft EIC Emergency Planning paper (EIC-D-407) which was forwarded to the Chairman of the Steering Committee on Emergency Planning. He indicated that the coordinated paper, while meeting the requirements of the Steering Committee, went into considerably more detail than was advisable on matters not within the area of the EIC's responsibility. He proposed, and the members agreed, that an abbreviated statement be prepared by the Secretariat for EIC approval and submittal to USIB with an indication that the detailed background document does exist.

REVIEW OF EIC SUBCOMMITTEE ACTIVITIES:

5. The Chairman spoke briefly on subcommittee reviews, stating that these were not intended to be comprehensive, but were to give the chairmen and executive secretaries of the subcommittees an opportunity to discuss the activities of the various subcommittees with the members of the EIC. He then presented [REDACTED] Chairman of the Agriculture Subcommittee, to the group and invited him to report for the Subcommittee. 25X1A9a

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EIC SUBCOMMITTEE ON AGRICULTURE:

6. [REDACTED] asked the Executive Secretary, [REDACTED] to report. [REDACTED] alluded to the preparation of the paper, "Policies, Performance, and Prospects of Soviet Agriculture," 25X1A9a

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which had involved considerable subcommittee coordination. He then reported that the Subcommittee had approved the continuation of the CIA external research project [REDACTED] on "Agricultural Land Utilization in Communist China"; and noted that ORR Gaps in Intelligence Statements had been discussed as a basis for subcommittee collection deficiency statements and that informal discussions had been held between State, Agriculture, and CIA on agricultural research in the Bloc. Also, from time to time, the Subcommittee had provided support to the USIB Committee on Exchanges.

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7. [REDACTED] reported briefly on the CIA external research project [REDACTED]. He stated that the first part of the study deals with land utilization and the second part will be concerned with the broader aspects of agriculture and the economy in China and developments from 1949 to 1958. Evaluation of statistics and definition of terms used (which has posed problems in the past) will be included. Prospects for expansion of the project will also be considered. [REDACTED] invited questions and a discussion followed. He concluded his remarks by saying that the Subcommittee would monitor the project very closely to see that it was geared to the needs of the intelligence community.

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8. No changes in the structure, nor in the functioning of the subcommittee are contemplated for FY 1960. They will continue to follow significant developments, activities, and situations in the field of food and agriculture.

EIC SUBCOMMITTEE ON MINERALS AND METALS:

9. The Chairman, [REDACTED] said that the Minerals and Metals Subcommittee had not been very active. The Subcommittee has served a useful purpose, however, by providing the mechanism for use in consultations. The Subcommittee has revised the Statement of Priority Research Deficiencies in the minerals and metals field for the Bloc, and has given assistance to the USIB Committee on Exchanges. [REDACTED] elaborated on the problem of agreed basic statistics, by pointing out the differences which exist between intelligence estimates and the figures published by the Bureau of Mines for certain non-ferrous mineral production in Bloc countries. They plan to look into this

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further with the Bureau of Mines. The Subcommittee plans to continue to serve as a forum for the discussion of substantive intelligence in its field and for such other purposes within the area of their concern as the needs of the intelligence community may dictate. They also plan to follow through on the problem of agreed basic statistics and will continue to support the USIB Committee on Exchanges.

10. The Chairman suggested that the Subcommittee offer as much assistance to the Bureau of Mines as is desired with respect to estimates on Bloc production included in their unclassified publications.

EIC SUBCOMMITTEE ON POPULATION AND MANPOWER:

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11. The Chairman, [REDACTED] stated that the Subcommittee had held only two meetings during the year, one devoted entirely to a paper by the Bureau of the Census and the other devoted to an exchange of research plans. She stated that these meetings enabled the members to avoid work duplication and provided them an opportunity to exchange information on research capabilities. The Subcommittee also provided the mechanism whereby ad hoc coordinated positions could be assured. Since 1949, the Subcommittee has monitored a Census project which provides the Government with population information on the Bloc. [REDACTED] stated that the Census Bureau project on the Soviet labor force will be completed shortly, perhaps by next month. They plan to review the current statement of Priority Research Deficiencies and then consider the advisability of issuing agreed basic population statistics and Priority Collection Deficiencies. They plan also to discuss and assess the intelligence implications of Census data which will presumably be released by the USSR and some of the Satellites during FY 1960.

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12. The Chairman praised the work of this Subcommittee and re-emphasized that this group plays an important role in steering the work being done for Air Force and CIA by the Census Bureau.

REVIEW OF PRIORITY NATIONAL ECONOMIC INTELLIGENCE OBJECTIVES:

13. The Chairman stated that the draft PNEIO'S under review had been prepared and distributed by the EIC as EIC-D-411, and that they were derived from the Priority National Intelligence Objectives, These Economic Objectives, which will be published as

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an Annex to the PNIO'S, furnish an authoritative guide for analytic work and collection. An item-by-item review of the draft PNEIO'S followed.

14. It was agreed that the EIC Secretariat should incorporate the changes agreed to and to make such editorial changes as necessary and obtain final approval of the EIC on an interim basis. Upon completion, they will be sent to the Office of National Estimates by 1 February for review prior to transmittal to the USIB.

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Executive Secretary

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**HIC SUBCOMMITTEE ON POPULATION AND MANPOWER**

Chairman: [REDACTED] CIA

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Executive Secretary: [REDACTED] CIA

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Agencies Represented: State, Army, Air Force, Commerce, Labor

**I. Activities During FY 1959 (2 meetings)**

Maintained review and coordination through SC of research being conducted by the Foreign Manpower Research Office of the Bureau of the Census under contract with CIA and Air Force; published unclassified chart "Estimated Population of Sino-Soviet Bloc and NATO Countries, Selected Years, 1938-1975" published by CIA based on estimates prepared by CIA and Bureau of Census - estimates are in general use throughout the intelligence community. The SC plans to consider an annual updating of these data; assisted USIB Exchange Committee in a proposed exchange of demographers with the USSR; Twice considered problem of handling conflicting data put out by East and West Germany on number of migrants from East Germany; established a coordinated position within the intelligence community with respect to initial interpretation of preliminary results of the USSR census.

**II. Activities during First Half FY 1960 (no meetings)**

Through continuing informal liaison has continued activities of the subcommittee.

**III. Plans for FY 1960 (from Annual Report, 9 June 1959)**

The SC plans to engage in the following major activities during FY 1960:

1. To review the current statement of Priority Deficiencies of Research and to consider the need for issuing Priority Collection Deficiencies and Agreed Basic Population Statistics.
2. To continue the annual review of agency research problems and external research proposals, in order to avoid duplication of effort.
3. To discuss and assess the intelligence implications of census data which presumably will be released by the USSR and some of the Satellites during FY 1960.
4. To hear and comment upon the more important substantive reports prepared by member agencies.